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                           U.S. DISTRICT COURT
                      EASTERN DISTRICT OF TEXAS

                            JAN 1 1 2006

                       DAVID J. MALAND, CLERK
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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION
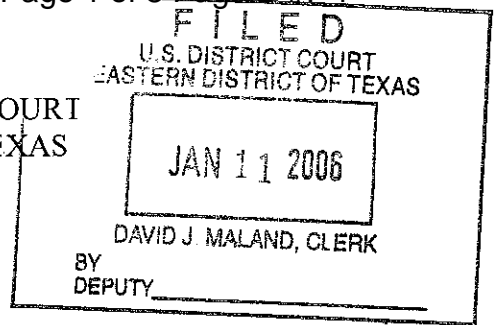
SOFTVAULT SYSTEMS, INC.	§	
	§	
Plaintiff,	§	
	§	
vs.	§	Civil Action No. 2-06 CV-16
	§	
MICROSOFT CORPORATION	§	Jury Trial Demanded LED
	§	
Defendant.	§	

COMPLAINT

Plaintiff SoftVault Systems, Inc. ("SoftVault") brings this action against Defendant Microsoft Corporation ("Microsoft") and for its causes of action alleges:

The Parties

1.   SoftVault is a corporation organized and existing under the laws of the State of Washington with its principle place of business in the State of Washington.

2.   Upon information and belief, Microsoft is a corporation organized and existing under the laws of the State of Washington and is doing business in this judicial district and elsewhere. Microsoft may be served with process by serving its registered agent, Corporation Service Company at 701 Brazos Street, Suite 1050, Austin, TX 78701.

Jurisdiction and Venue

3.   This action arises under the patent laws of the United States, Title 35 United States Code, particularly §§ 271 and 281 and Title 28 United States Code, particularly §1338(a). Venue is proper in this Court under Title 28 United States Code §§ 1391(b) and (c) and 1400(b).

Claims for Patent Infringement

U.S. Patent No. 6,249,868

4   On June 19, 2001, U.S. Patent No. 6,249,868 ("the '868 patent") was duly

and legally issued for "Method and System for Embedded, Automated, Component-

level Control of Computer Systems and Other Complex Systems".   A copy of the

'868 patent is attached as Exhibit A and is made a part hereof.   By assignment,

SoftVault is the owner of the '868 patent and at all relevant times has had the right to

enforce the '868 patent.

5.   The '868 patent, in general, relates to a method and system of protecting a

personal computer or its components, software or otherwise.   Specifically, certain

claims of the '868 patent relate to enabling or disabling a system component

involving an authorization process with a remote server.

6.   On information and belief, Microsoft provides software and services

which include the ability to enable operation of the software through an authorization

process with a remote server.   Products having this feature include at least the

following: Windows Server 2003, Plus! Digital Media Edition, Windows® XP

Professional, Windows XP Home Edition, Microsoft Office XP Standard, Microsoft

Office XP Professional, Microsoft Office XP Professional with FrontPage®,

Microsoft Office XP Developer, Microsoft Access 2002, Microsoft Excel 2002,

Microsoft FrontPage 2002, Microsoft Outlook® 2002, Microsoft PowerPoint® 2002,

Microsoft Project 2002, Microsoft Publisher® 2002, Microsoft Visio® 2002,

Microsoft Word 2002, Microsoft Visio Enterprise Network Tools, Microsoft Visual

Studio .Net, Microsoft Office 2000 SR-1, Microsoft Project 2000 SR-1, Microsoft

Office 2003 Professional, Microsoft Office 2003, Standard, Microsoft Office 2003

Small Business Edition, Microsoft Access 2003, Microsoft Excel 2003, Microsoft

FrontPage 2003, Microsoft InfoPath 2003, Microsoft OneNote® 2003, Microsoft

Outlook 2003, Microsoft PowerPoint 2003, Microsoft Project 2003, Microsoft Project

Professional 2003, Microsoft Visio 2003 Office 2003, Microsoft Visio Professional

2003, and Microsoft Word 2003.

7.   By providing such products and/or services, Microsoft has in the past and

continues to infringe directly, by inducement, or by contributing to the infringement

of the '868 patent, including but not limited to claim 19.

8   As a result of Microsoft's infringing conduct, Microsoft has damaged

SoftVault. Microsoft is liable to SoftVault in an amount that adequately compensates

SoftVault for its infringement, which by law in no event can be less than a reasonable

royalty.

9.   As a consequence of Microsoft's infringement, SoftVault has been

irreparably damaged and such damage will continue without the issuance of an

injunction by this Court.

U.S. Patent No. 6, 594,765

10.   On July 15, 2003 U.S. Patent No. 6,594,765 ("the '765 patent") was duly

and legally issued for "Method and System for Embedded, Automated, Component-

level Control of Computer Systems and Other Complex Systems". A copy of the

'765 patent is attached as Exhibit B and is made a part hereof. By assignment,

SoftVault is the owner of the '765 patent and at all relevant times has had the right to enforce the '765 patent

11.   The '765 patent, in general, relates to a method and system of protecting a personal computer or its components, software or otherwise. Specifically, certain claims of the '765 patent relate to enabling or disabling subcomponents of a consumer electronics device through an authorization process with a remote server.

12.   On information and belief, Microsoft provides software and services for use on consumer electronics, personal computers, which include the ability to enable operation of the software through an authorization process with a remote server. Products having this feature include at least the following: Windows Server 2003, Plus! Digital Media Edition, Windows® XP Professional, Windows XP Home Edition, Microsoft Office XP Standard, Microsoft Office XP Professional, Microsoft Office XP Professional with FrontPage®, Microsoft Office XP Developer, Microsoft Access 2002, Microsoft Excel 2002, Microsoft FrontPage 2002, Microsoft Outlook® 2002, Microsoft PowerPoint® 2002, Microsoft Project 2002, Microsoft Publisher® 2002, Microsoft Visio® 2002, Microsoft Word 2002, Microsoft Visio Enterprise Network Tools, Microsoft Visual Studio .Net, Microsoft Office 2000 SR-1, Microsoft Project 2000 SR-1, Microsoft Office 2003 Professional, Microsoft Office 2003, Standard, Microsoft Office 2003 Small Business Edition, Microsoft Access 2003, Microsoft Excel 2003, Microsoft FrontPage 2003, Microsoft InfoPath 2003, Microsoft OneNote® 2003, Microsoft Outlook 2003, Microsoft PowerPoint 2003, Microsoft Project 2003, Microsoft Project Professional 2003, Microsoft Visio 2003 Office 2003, Microsoft Visio Professional 2003, and Microsoft Word 2003.

13. By providing such products and/or services, Microsoft has in the past and continues to infringe directly, by inducement, or by contributing to the infringement of the '765 patent, including but not limited to claim 11.

14. As a result of Microsoft's infringing conduct, Microsoft has damaged SoftVault. Microsoft is liable to SoftVault in an amount that adequately compensates SoftVault for its infringement, which by law in no event can be less than a reasonable royalty.

15. As a consequence of Microsoft's infringement, SoftVault has been irreparably damaged and such damage will continue without the issuance of an injunction by this Court.

Demand for Jury Trial

13. SoftVault demands a jury trial on all claims and issues.

Prayer For Relief

WHEREFORE, SoftVault prays for entry of judgment:

A. That claim 19 of U.S. Patent 6,249,868 and claim 11 of 6,594,765 have been infringed by Microsoft and by others whose infringement has been contributed to and/or induced by Microsoft;

B. That Microsoft and each of its officers, agents, employees, representatives, successors, assigns and those acting in privity or concert with them be permanently enjoined from further infringement of U.S. Patents 6,249,868, and 6,594,765.

C. That Microsoft account for and pay to SoftVault all damages and costs caused by Microsoft's activities complained of herein;

D.   That SoftVault be granted pre-judgment and post-judgment interest on the damages caused by reason of Microsoft's activity complained of herein;

E.   That SoftVault be granted its attorneys' fees in this action;

F.   That costs be awarded to SoftVault; and

G.   That SoftVault be granted such other and further relief that is just and proper under the circumstances.

Respectfully submitted,

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